

MINUTES

ACT 345 RETIREMENT SYSTEM

DATE: August 25, 2020
LOCATION: Second Floor Training Room, Government Center, 400 Boardman Ave., Traverse City, MI 49684
TIME: 12:00 Noon.
PRESENT: K. Martin, J. Jenkins, J. Bussell, W. Kuhn
ABSENT: C. Rueckert
GUESTS: C. Kuhn (AndCo Consulting)
STAFF: J. Henderson

J. Henderson called the regular meeting to order at 12:02 pm.

Moved by J. Jenkins, seconded by J. Bussell that the minutes of the July 28, 2020 regular meeting be approved.

Motion approved 4-0.

Warrant No. 652 in the amount of \$235,921.93 for retiree benefits for September 2020 was approved and signed by J. Jenkins and J. Bussell.

C. Kuhn of AndCo went over the 2Q 2020 Investment Performance Review in great detail. He also provided a general market update as of July 31, 2020 and gave us the most recent market values as of August 21, 2020.

J. Jenkins initiated a discussion of the plan's holdings in Intercontinental Real Estate. He floated the possibility of a partial liquidation of our Intercontinental holdings for reinvestment elsewhere. C. Kuhn indicated that he will prepare a Real Estate manager search for the next meeting.

The Board noted that the Plan's holdings in the WCM International Equity fund have been performing very well. The Board discussed the possibility of taking some of the gains there and reallocating them to fixed income. Moved by J. Jenkins and seconded by J. Bussell that \$400,000 be taken out of WCM International Equity, with \$250,000 being invested in the Baird Inter Bond Fund and \$150,000 being invested in the Western Asset Intermediate Bond Fund.

Motion approved 4-0.

J. Bussell noted that we were over our target allocation in the T. Rowe Price Enhanced S&P 500 Fund. There was discussion of taking some of the Plan's gains there off the table to be held as cash in the admin account for future benefits payments. Moved by J. Jenkins and seconded by J. Bussell that \$400,000 be taken out of T. Rowe Price and held as cash in the admin account for benefits payments.

Motion approved 4-0.

C. Kuhn then moved along to discussing the small cap money managers that the Board had heard from at the June 30, 2020 meeting. After discussion amongst the Board and C. Kuhn, the Board decided to split their investment between both of the managers who made presentations. Moved by J. Jenkins and seconded by J. Bussell that the Plan invest \$1,500,000 in the Delaware Small Cap Core Fund and \$1,500,000 in the Hartford Schroders US Small Cap Strategy Fund.

Motion approved 4-0.

J. Henderson presented the Board with the membership documents for recent police hire K. Rossi, which will be filed in the Deputy Treasurer's office.

In other business, the Board was introduced to new City Treasurer/Finance Director Kelli Martin, who also serves as Secretary of the Act 345 Police and Fire Retirement System Board. J. Henderson also mentioned that the MAPERS Fall 2020 conference, to which the Board had decided to send three members at the July 28, 2020 meeting, was eventually cancelled.

Moved by J. Jenkins, seconded by J. Bussell to adjourn.

Motion approved 4-0.

Meeting adjourned at 1:10 pm

James A. Henderson
Secretary/Treasurer